

## How Can We Keep Neighborhood Investments From Causing Displacement?

Leaders discussed this challenge at "A Catalytic Moment" TOD Symposium

By John Greenfield | Dec 12, 2017 | 26



Marisa Novara, Geoff Smith, Juan Carlos Linares, Krysta Pates, Tyrrone Soudemire. Photo: John Greenfield

Today local leaders gathered to discuss the potential for new development near transit stations to have a positive influence on racial equity, resiliency, health, arts, and culture in Chicago neighborhoods at the symposium “A Catalytic Moment: The Transformative Power of Transit-Oriented Development.”

The event was put on by the affordable housing nonprofit [Enterprise Community Partners](#) and [Elevated Chicago](#). The latter is a project of the [Strong, Prosperous, And Resilient Communities Challenge](#) (a \$90 million initiative that funds equity efforts in six cities across the country) that is supported by Enterprise, The Chicago Community Trust charitable foundation, and other funding organizations, [and is housed by The Trust](#). Elevated Chicago brings together a wide range of community organizations to brainstorm ways to turn the areas around CTA and Metra stations into “hubs of opportunity and connection across our region’s vast transit system.”

Some of the panel topics at the conference included “Health and the Arts: cnspectives on Building Healthy Communities,” “Investing in Communities for Impact,” “What’s eTOD? Understanding the Spectrum of Equitable Transit-Oriented Development,” “Incubation, Innovation... Disruption,” and “What Is Resiliency? A Conversation on Social Networks, Economic Opportunities, and Climate.”

I attended the session “Who Stays, Who Goes? Addressing Displacement in Communities of Color.” There’s increasing awareness of how transportation-related investments in neighborhoods, like new train stations, TODs, and trails, increase property values, property taxes, and rents, which can speed up the process of lower-income and working-class people [being priced out of gentrifying neighborhoods](#). As such, residents are calling for the city to be proactive about preserving affordability before this unintended (or, some would argue, intended) consequence takes place.

The panel, moderated by the Metropolitan Planning Council’s Marisa Novara, included professionals who address issues of displacement from a wide range of perspectives. Geoff Smith, executive director of DePaul University’s Institute for Housing Studies, talked about Chicago’s

changing demographics in recent years, including an influx of affluent whites, as well as working-class Latino and Asian immigrants, but a sharp decrease in the number of lower-income Black households.

(Novara also noted that there have been dramatic demographic changes in some gentrifying neighborhoods. From 2000 to 2013 Pilsen saw its white population increase by 22 percent while the Latino population dropped by 26 percent. The change has been even more pronounced in Logan Square, where the white population grew by 44 percent during that time while the Latino population fell by 35 percent.)

Tyrrone Stoudemire, global vice president of diversity and inclusion at Hyatt Worldwide, talked about how issues of housing affordability and immigration policy are presenting a challenge for the hotel industry. Stoudemire said it's becoming increasingly difficult for employees like housekeepers, door people, and restaurant workers to find housing in gentrifying cities. He added that the Trump administration's chilling effect on immigration is a problem for a hotel chain where 70 percent of housekeepers are Latino.

Krysta Pates is the Midwest Director with [Community Reinvestment Fund USA](#), which provides loans to residents of underserved communities. She discussed her work directing the organization's Detroit home mortgage program, which helps address the issue of "appraisal gaps." Houses in distressed areas tend to be undervalued by banks, which make it difficult for homebuyers to get loans, which is why the majority of house sales in Detroit are cash transactions, Pates said. "In two years we've almost doubled the amount of mortgages in our market. It's very important to us that people of color are kept at the center of everything we do."



The Bloomingdale Trail. Photo: LUCHA

Since Streetsblog Chicago is a transportation news and advocacy website, Juan Carlos Linares' presentation was especially relevant to what we cover. He's the executive director of [Latin United Community Housing Association](#), a Humboldt Park-based affordable housing nonprofit that has been active in efforts to fight displacement in the area around the Bloomingdale Trail, aka The 606. While this part of town was already gentrifying well before the elevated rails-to-trails opened in June 2015, a [report from DePaul's Institute for Housing Studies](#) found that property values along the western stretch of trail have gone up by 48.2 percent since construction began on the greenway.

“The 606 is a great amenity,” Linares said. He noted that, along with the [Logan Square Neighborhood Association](#), LUCHA was a longtime advocate for building the trail. “So when we talked to the mayor’s office about [strategies to maintain affordability] way back in the day, they actually started to open up to us, but by then the plans were already in place... So our vision is to advance housing as a human right. Affordable housing is one way to manifest that.”

LUCHA decided that the best to have some leverage as the area around the trail changed was to buy up land themselves. “So back in 2011 or 2012 we bought six private lots for about \$130,000 each, which at the time was kind of cheap – we could flip them now for twice that.” Local aldermen negotiated the donation of six additional city lots. Construction is currently underway on the [Tierra Linda](#) (“Beautiful Land”) development with 45 homes, including one-, two-, and three-bedroom units that will rent for \$614 to \$1,055, which will be affordable to households making less than 50 percent of the Chicago area median income (AMI).

LUCHA’s second strategy is legislation. Along with other affordable housing groups and the local aldermen, they’re pushing for [the Pilot Act for the Preservation of Affordable Housing in the 606 Residential Area](#), which would charge an additional fee of between \$300,000 and \$650,000 for teardowns, as well as a fee for enlarging existing buildings, which would be used to fund affordable housing in the area. The ordinance was introduced to City Council in May.

“So what happened is politics, right?” Linares said. Some alderman weren’t keen on the idea of charging additional fees to developers, a key source of campaign contributions, and there were indications that Mayor Rahm Emanuel didn’t support the new law either. Instead, in October the Council [passed two other ordinances](#) with the stated goal of increasing the amount of affordable housing in gentrifying areas on the [West and Near Northwest sides](#).

However, Linares says these ordinances essentially formalize the policies that aldermen in these areas were already doing, requiring developers to include on-site affordable units before a zoning change will be approved. And while the city’s 2015 affordable housing ordinance requires that these affordable rental units be within the means of households earning up to 60 percent of the region’s area mean income, the new legislation makes households that earn up to 80 percent of the area mean, or \$50,600, eligible for the affordable units.

“But our median income for Humboldt Park is 50 percent of the larger Chicago area median, so the people that we serve can’t afford those rents in the first place,” he said. Meanwhile, nine months later, the 606 affordability ordinance is still [lingering in City Council](#), but LUCHA is continuing to advocate for it.



The Faces of Logan Square festival. Photo: LUCHA

Linares says the group’s third strategy to fight displacement in the area is leveraging resources from Elevated Chicago and SPARCC. For example, they used some of this funding to hold the “FACES of Logan Square” celebration of Latino culture in October at the Spaulding entrance of the Logan Square Blue Line stop, including dancers in traditional costumes, music, crafts, food, and even a “crazy Zumba flash mob.”



“The event bridged cultures,” Linares said. “We had both the Latinos who are being displaced and the newer, whiter residents who were like, ‘This is great, this is why we moved here in the first place.’ So we’re creating ambassadors of others, letting them know what the issues are, and saying, hey, be a part of the solution with us.”

Filed Under: Beyond Chicagoland, Bicycling, Chicago Policy, Development, Events, Infrastructure, Neighborhoods, Walking, Geoff Smith, Juan Carlos Linares, Krysta Pates, Marisa Novara, Promoted, The Chicago Community Trust, TOD, Tyrone Stoudemire

Subscribe to our **DAILY EMAIL DIGEST**

Enter Email

SIGN UP



**ILLINOIS BICYCLE LAWYERS**  
TRIAL LAWYERS REPRESENTING INJURED BICYCLISTS  
**(312) 239-6787**  
KEATING LAW OFFICES, P.C.

MOST RECENT

Today’s Headlines for Wednesday, January 10



Eyes on the Street: 95th Street Station Work Is Rolling Along



Residents Convince Obama Foundation to Remove Garage From Midway, Submerge It

Buffalo Advocates Convince New York DOT to Rethink a Half-Baked Highway Removal





Today's Headlines for Tuesday, January 9

www.BIKELANECHICAGO.COM  
 (773) - 888 - BIKE(2453)  
**BIKE MAINTENANCE,  
 PARTS & ACCESSORIES**  
 MON - SAT: 8AM - 8PM SUNDAY: 10AM - 6PM  
 2130 N MILWAUKEE AVE  
 CHICAGO, IL 60647

EST. 2004  
**chainjink**  
**One-stop Resource for Cyclists.  
 Connect. Explore. Ride. Share.**

26 Comments Streetsblog Chicago

1 Login ▾

Recommend Share

Sort by Newest ▾

Join the discussion...

LOG IN WITH

OR SIGN UP WITH DISQUS (?)

Name

Andrew Girdali • 25 days ago

The issue of displacement is one that annoys me to no end. It's not because we don't need to address this issue (we do): It's that I find ourselves complicating matters because the solutions that are devised seem limited in scope, don't always serve as intended, and/or they're not easily replicable, if at all.

Why can't we have a system in which residents within a certain radius of proposed infrastructure and real estate projects have the opportunity to invest their money into these projects, turn a profit, and apply that profit to their housing costs? As long as the infrastructure and real estate that is built adds value to homes within a certain catchment area, people investing in these projects will earn a return on their investments, a concept beneficial particularly to the lower-income households who are often at risk of displacement from such projects.

We could have a system in which not only does infrastructure get built with little resistance (because, who wouldn't want the chance to turn a profit?), but current residents could have more upward social mobility, since they wouldn't be displaced by increased land and property values resulting from infrastructure that they might otherwise benefit from. This concept could be easily replicated across communities and it provides residents with a measure of resiliency in the face of change.

^ | ▾ • Reply • Share >

Andrew Girdali → Andrew Girdali • 21 days ago

ChicagoCyclist, I agree that most public goods "do not (in most cases) produce a profit). However, I attribute that belief to the fact that, generally speaking, citizens haven't been empowered via the planning process. If more people were more empowered in their communities (sav. in

crowdfunding their built environments, and these mechanisms do exist), you don't think that they would be more conscious of what real estate and infrastructure projects would add value to their residences? There is such a thing as "value capture": This is just my version of it.

If you look at the communities that have generally been created in post-WWII USA, it's been places that have actually subtracted from the value of homes. The car-dominant suburbs that have been perpetuated have made us unhealthier and robbed us of income. Vehicle emissions and Euclidean zoning have respectively worsened our air quality and discouraged us from walking and biking in such places. According to Chris Leinberger, the average car costs Americans about \$9,000 per year to own and maintain. What if instead of wasting money on a depreciating asset, local citizens were allowed to invest more of their income in projects that were more valuable to their communities?

In the eyes of the average citizen, I don't see how using land to make money is "problematic". If anything, they (of all people!) should be allowed to profit off of proposed real estate and infrastructure projects, especially if those projects indirectly increase their rents and property taxes. Again, this is my original point: There needs to be a mechanism in which people can become more resilient in the midst of their communities changing.

^ | v • Reply • Share ›



**ChicagoCyclist** → Andrew Giraldi • 21 days ago

Ummm... infrastructure doesn't "make a profit." Public goods are "public" goods because they do not (in most cases) produce a profit -- or even any/much 'direct revenue' -- but are nevertheless good for society. "Windfalls" for private property owners can result from investment in infrastructure (or other things), but not always, not consistently -- in most cases, investments in "real property" take years to "pay off." In addition, as pointed out below, most displaced people are renters, who aren't in a position to "invest." The idea that "land" is a way to make money is problematic ...

^ | v • Reply • Share ›

**Andrew Giraldi** → Andrew Giraldi • 23 days ago

I'm thinking of a system in which financial institutions and/or developers work with governments to levy a discount on mortgage and rental agreements and/or state and/or local taxes to those residents who contribute to financing infrastructure.

Developers and financial institutions might be willing to go this route if it means that would-be NIMBYs actually save the former entities time and money from not holding up the development processes. All parties must be willing to give in so as to get something greater back in return later on.

^ | v • Reply • Share ›

**BlueFairlane** → Andrew Giraldi • 24 days ago

In order to invest money in a development project, you have to have money. I doubt very many people getting gentrified out of Logan Square or Humboldt Park have investment capital lying around.

1 ^ | v • Reply • Share ›



**ChicagoCyclist** • a month ago

I wonder: To effectively stop gentrification, do we in fact need to scrap Capitalism (or at least the private ownership of land, our country's "extreme" or "radical" property rights laws, and the whole idea that home ownership is the best route to wealth accumulation for most people.) Gentrification has been going on in the U.S. since our beginning as a country -- just ask Natives about it. It seems to be in our society's -- or rather our society's laws and ideology's -- DNA.

^ | v • Reply • Share ›

**rohmen** → ChicagoCyclist • a month ago

There are a lot of developed nations that manage to do just fine in addressing affordable housing while obviously retaining private ownership of property.

If there's anything really extreme or radical about our property rights laws, it's the fact that affordable housing zoning laws and rent control aren't embraced on a wider scale outside of essentially NYC and SF, and we can tweak those issues without going to the other extreme. Private ownership isn't unique to the U.S., and the fact that you think it is is endemic of a problem a lot of Americans have---i.e., people think we're this rare flower when in reality a few minor tweaks to our system to fall in line with other progressive nations would do wonders. We don't need to reinvent the wheel here.

1 ^ | v • Reply • Share ›



**ChicagoCyclist** → rohmen • 22 days ago

Absolutely -- we do not need to reinvent the wheel! Policies do exist (in other countries). It seems that we (as a nation / society / culture) just don't have -- or can't muster -- the "political will" to do the right thing. This is evident in many realms of government/governance, not just affordable housing. Public health, transportation, taxation, education, safety/security are just a few examples where we are, figuratively, shooting ourselves in the foot. Affordable housing, however -- and other types of land development -- is especially connected to "property rights." We -- especially out west -- seem to elevate property rights above public good.

^ | v • Reply • Share ›

**planetshoop** • a month ago

This discussion -- gentrification from TOD -- always focuses on the 606. Is there another example of the displacement for another asset besides the 606?

I worry that the issues created by the 606 are creating a fear of building assets or improvements for the city. This is too bad, because I don't think building trails == displacement.

2 ^ | v • Reply • Share ›



**Carter O'Brien** → planetshoop • a month ago

I think it was a combination of factors including the fact that Humboldt Park has been kind of on the cusp of "popping" for years, and the 606 gave developers the marketing angle they had been looking for, as the trail provided a concrete connection to the already gentrified and well known neighborhoods to the east, as well as this feeling of new investment. Nothing gets developers more excited than a new park, it's literally money in the bank, they've been perfecting this technique since at least the renewal efforts in Lincoln Park starting in the 60s.

^ | v • Reply • Share ›

**Jeremy** → planetshoop • a month ago

I think the 606 is a red herring. Bucktown & Wicher Park were seeing price increases before the 606. People are just using the 606 as a cause of gentrification, when it is probably closer to a symptom.

There has been large price increases in the West Loop & Fulton Market, but there isn't a large public works project to blame, unless one wants to point to the Morgan Green Line stop.

It would be interesting to see how rents have changed around Wrigley Field over the last 20 years, and see how they continue to change after all the new construction is finished.

^ | v • Reply • Share ›

**Steven Vance** Mod → Jeremy • a month ago

"Bucktown & Wicher Park were seeing price increases before the 606."

This is correct - I think there is a fear that price increases that weren't happening west of Western may start to happen because of people ascribing a higher value to land near the 606.

^ | v • Reply • Share ›

**rohmen** → Steven Vance • a month ago

But price increases were/are happening west of Western even in areas not as close to the 606.

I know people who live in Logan Square, but north of the 606, and they've seen very similar value increases. Same with Humboldt Park. I'd say the 606 has likely extended some of the gentrification/value bumps further west than it otherwise would have been, but anything east of Central Park might be pretty close to the same level right now 606 or not given how popular LS has become. Especially for SFH buyers and those looking to deconvert two-flats.

2 ^ | v • Reply • Share ›

**johnaustingreenfield** Mod → planetshoop • a month ago

Other big discussions are about longtime residents being replaced due to TOD development and/or upscale rehabs of existing transit-friendly buildings, in neighborhoods like Pilsen, Logan Square, Albany Park, and Uptown. The 606 experience is also raising concerns about the development of the Paseo in Pilsen/Little Village.

1 ^ | v • Reply • Share ›

**rohmen** → johnaustingreenfield • a month ago

I think the Paseo concerns are somewhat valid given that Pilsen is pretty close to what Logan Square was like back when the 606 started. The Paseo will probably be fuel on a fire that is already burning, though I'd still argue you do it but just plan accordingly knowing it will feed into the already-occurring gentrification. Not doing the Paeso doesn't stop gentrification.

The similar proposals for Englewood are a bit more interesting. Englewood is not presently gentrifying on a major level, and would a 606-like project be enough to spark it alone? I'm fairly doubtful it would, though I get why residents would be concerned.

^ | v • Reply • Share ›

**Jared Kachelmeyer** • a month ago

When they build these affordable units do they go to people from the neighborhood or are they open to pretty much anyone that meets the income requirements?

^ | v • Reply • Share ›

**CIAC** → Jared Kachelmeyer • a month ago

I think it would be illegal to discriminate against people simply because they live outside of the neighborhood. Even if that isn't per-se illegal it wouldn't be too hard for someone to suggest that such a restriction would have a disparate impact on certain racial minorities. For example, it would probably favor low-income Latinos and whites over low-income blacks. That is certainly illegal.

1 ^ | v • Reply • Share ›

**Steven Vance** Mod → Jared Kachelmeyer • a month ago

I think they are open to anyone who meets the income requirements.

1 ^ | v • Reply • Share ›

**Jared Kachelmeyer** → Steven Vance • a month ago

That's what I assumed. I'm guessing then that most of these affordable units aren't actually going to people that may be effected by the rising rents in the neighborhoods that they are getting built in.

^ | v • Reply • Share ›



**Jennifer** → Steven Vance • a month ago

From the Department of Uncomfortable Truths comes this chart, according to which I may have been paying way too much rent for a number of years: <https://www.cityofchicago.o...>

^ | v • Reply • Share >



**craterlet** • a month ago

There are some interesting ideas presented here, but it always seems to me that these housing policy approaches are band-aids on a much larger problem --- income inequality. As long as there is such wild inequality in the means available to households, affordable housing policies can only do so much.

Of course, this answer also feels like a bit of a cop-out, since changes to how income is distributed in society are made at much higher levels and any changes seem very unlikely...

4 ^ | v • Reply • Share >

**Carter O'Brien** → craterlet • a month ago

It's income inequality, and it's also living in a City where we rely far too heavily on property taxes (instead of a municipal income tax) to fund basic services and infrastructure needs. The City's budgets only go in one direction, up, which means City planners are always seeking to maximize the use of land for property tax generation. Using a progressive municipal income tax you tax actual earnings, not speculative property values, which benefits lower income residents independent of whether they own or rent, and it will help mitigate the need for rent increases that skyrocketing property taxes can bring about.

Just remember the "7% solution" from the last real estate boom and ask for whom is "only% a 7% increase a victory? Service industry, non-profit and govt workers, retirees, etc. don't get anywhere near a 7% raise every year.

^ | v • Reply • Share >

**craterlet** → Carter O'Brien • a month ago

It would require major changes at the state level, but I do like the idea of local income taxes. It would be even better if there was a component where a worker paid taxes to the municipality in which s/he worked, not just where s/he lived. It would have to work both ways to be fair, but the city should capture something from all of the suburbanites that work downtown.

^ | v • Reply • Share >

**CIAC** → craterlet • a month ago

"It would be even better if there was a component where a worker paid taxes to the municipality in which s/he worked, not just where s/he lived. "

There's already plenty of this. There's sales taxes. The vast majority of non-residents who work in Chicago will purchase a very significant amount when they are in the city. There's indirect property tax that comes from the employers as well as all the businesses that depend on these employees. The net benefit to the city often times may be greater to the city for non-resident commuters compared with residents. They may pay a little less in taxes but they also tend to use much fewer services from the city. And many times, someone who commutes into the city will eventually, as a result of this, decide to live in it. So this creates greater tax revenue down the road.

^ | v • Reply • Share >

**Jeremy** → craterlet • a month ago

I hate to invoke Detroit, but there is a city income tax there. That must have contributed to some of the exodus out of the city in the past.

It looks like there is/was a 2.4% tax for residents and 1.2% tax for non-residents that work in the city.

<https://www.freep.com/story...>

^ | v • Reply • Share >

**Carter O'Brien** → Jeremy • a month ago

There is also a city income tax in NYC. There is no exodus out of Chicago in the net, although there are certainly any number of varying dynamics you can look to regarding why any given group is leaving (or moving in). Now Illinois as a whole is a different story. If the state wasn't such a catastrophe the burden of funding schools wouldn't fall so heavily on municipalities.

^ | v • Reply • Share >







**ALSO ON STREETS BLOG**





### If the Future Will Be Walkable, How Do We Make Sure Everyone Benefits?

By John Greenfield | May 11, 2017

As communities where walking and transit are convenient become increasingly desirable, making sure that people aren't priced out of these areas, so that more residents can reap the health and economic benefits of walkability, will be a challenge.



### Should We Build on, or Burn Down, What Currently Exists?

By Lynda Lopez | Nov 10, 2017

Mobility justice advocates Oboi Reed and Naomi Doerner discussed the subject at The Untokening convening.